

quant⁺
QUANTA&MENTAL
FUND

Adding α while subtracting β

An open ended thematic equity scheme following a Quant-based investing theme



NFO Period: 13th April 2021 – 27th April 2021

Since inception, quant Global Research (qGR) has successfully combined inputs from a diverse range of indicators to consistently identify market inflexion points and arrive at definitive – even contrarian – macro and micro calls.

The engine that sets us apart is our VLRT Investment Framework – a combination of four elements, namely: Valuation Analytics, Liquidity Analytics, Risk Appetite Analytics and Timing.

At quant mutual, we believe in a dynamic style of money management.



There is a new religion in financial services.
And these are its symbols.



Market moves are highly dependent on the aptitude and appetite of market participants. To address this, we, at quant, track several proprietary indicators which **measure market sentiments from different perspectives.**

Extreme euphoria or fear can be gauged by many of these indicators, helping us to deduce how players are positioned and how they react to a particular situation. Once we understand investor behavior through these indicators, we can identify times when players are being irrational or making illogical decisions or showing signs of exuberance/paranoia.

qGR objectively follows this paradigm, ever enhancing domain knowledge with technology as an enabler, to develop tools and techniques, and translating them into **indicators that have accurately been able to identify cross asset and cross market inflexion points.**

qGR predictive analytics indicators are identifiers of inflexion points and opportunities in the complex investing environment. They provide clarity during difficult times when there are many questions that entail event and polity risk.

quant's Investing Principles

**MEASURABLE
IS RELIABLE**

MULTI  **ASSET
MANAGER**

**QUANT&MENTAL
INVESTING**

MONEY FLOWS
F ₹ O M O N E
ASSET CLASS
T O A N O T H E R ₹

T  **MING IS
EVERYTHING**

The quant Quantamental Fund
has its genesis in our Investment
Principles



quant **QUANT&MENTAL** FUND
Adding **alpha** while subtracting **Beta**

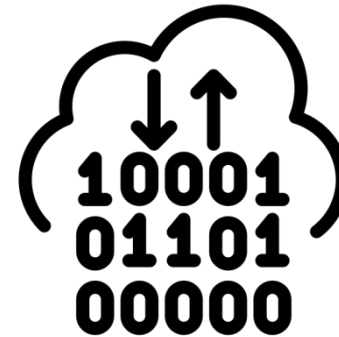
A Quant-based fund is a natural fit
for firm like ours whose motto is
to quantify everything.
Furthermore, we have been
developing and utilizing Predictive
Analytics tools since 2008.

Introduction | What is a Quant-based Fund?

Quantitative Analytics assumes data points such as security prices, open interest, volatility & global macros to be random and then aims to build the best Model, using Mathematical modeling, Machine Learning & Artificial Intelligence to decode that randomness.

There is limited human intervention in this process as well-developed computer models and programs allow for automation, prediction & detection by processing vast amounts of data points, something no human can match.

The fund managers are tasked with monitoring and upgrading the model. Periodic intervention is an integral part of the investing process for the quant Quantamental Fund.



Mitigate Cognitive Biases

An investment process driven primarily by humans is laden with cognitive biases. **Amos Tversky and Daniel Kahneman in 1974 found out that the predictions of different individuals are prone to a systematic bias, which leads them to predictable forecast errors.**

Examples of common cognitive biases include: anchoring bias, the bandwagon effect/herding, confirmation bias, endowment effect, loss aversion and restraint bias



Combat Information Overload

“Every day, three times per second, we produce the equivalent of the amount of data that the Library of Congress has in its entire print collection...” Nate Silver, Founder & Editor-in-Chief, FiveThirtyEight

It is estimated that at the beginning of 2020, **the number of bytes in the digital universe was 40 times larger than the number of stars** in the observable universe (World Economic Forum)



Rationale (contd...)

Mitigate Cognitive Biases – Anchoring Bias in Action

Whenever we try to guess something, we use anchors. We start with something that we know and move onto unfamiliar territories.

Example 1: While buying a stock, many investors look at the 52 weeks high/low price of that particular stock (the 'anchor'). Then they adjust this anchor up or down according to any further information they receive.

Example 2: Analyst forecasts may also serve as powerful anchors. Experts who talk about any particular sector or industry make investors anchored to their information, which might not be accurate. And most of the investors don't tend to research on their own, thus leading to improper decisions.

Combat Information Overload

Given the sheer volume of data available out there, it is impossible a human to sift through it

>118mn

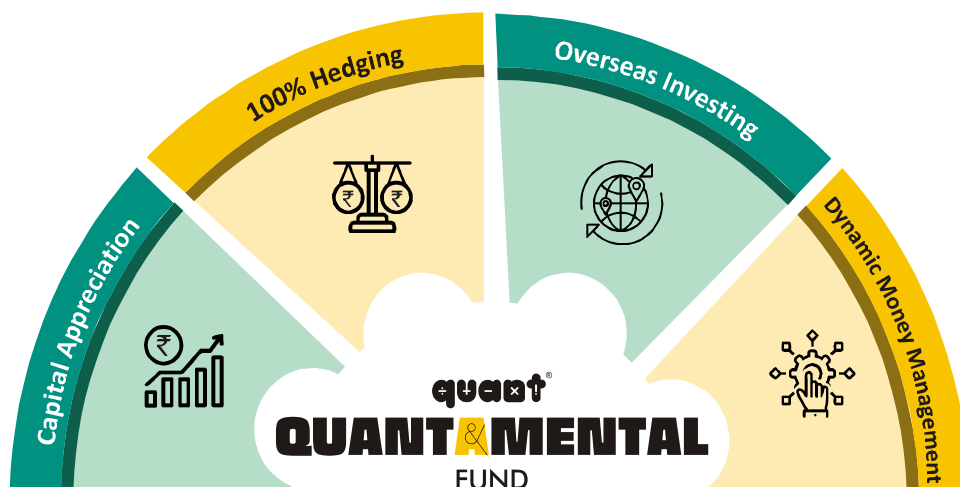
Search results on Google for 'Nifty'
appear in less than 1 second

>1.8bn

Active Websites

>2.5q

2.5 quintillion (10^{18}) bytes
of data put out each day



Capital Appreciation over the medium and long-term:

This scheme intends to invest in equity & equity related instruments with an endeavor to deliver superior risk-adjusted returns.

100% Hedging:

The scheme may take exposure to derivative instruments unto 100% of net assets for hedging purposes. In volatile scenarios, this allows the scheme with greater flexibility to sail through the tides.

Up to 20% Overseas Investment:

The scheme allows investments in Developed Markets where large volumes of historical data points for building novel quantitative investment models is widely available

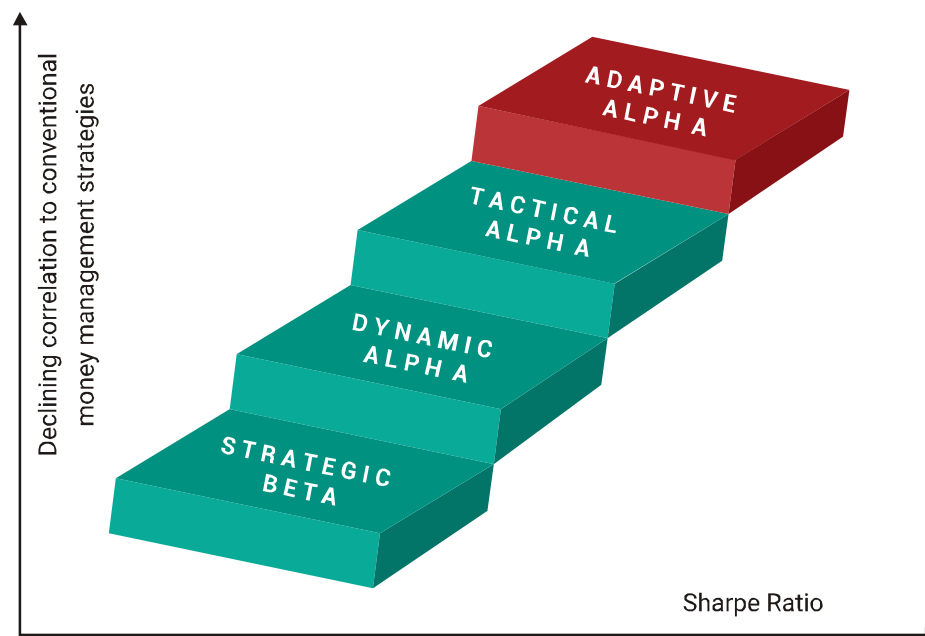
Dynamic Money Management:

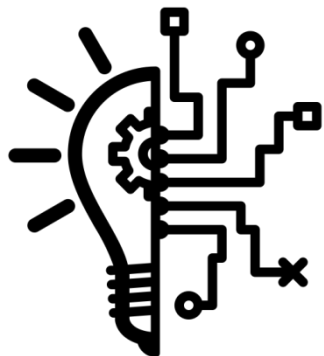
Using the VLRT Investment Framework and Predictive Analytics, quant adopts a Dynamic style of Money Management During hyper-volatility and uncertainty, this allows the scheme to adapt and move with agility.

Our Quantamental Fund's Investment thesis goes beyond the concept of smart beta, factor investing & algorithmic strategies.

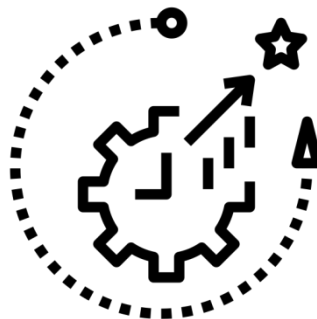
We believe a rules-based mechanical approach needs to be combined with the value of years of human judgement and experience to yield '**adaptive alpha**' - the outperformance generated by an ability to adapt investment rules/factors to novel market phases.

At quant, we have always believed that for success in investing, measurable is reliable. Thus, we augment traditional quantitative and qualitative methods along with, '**sentiments data**' (**behavioral analytics**) - a deep knowledge of market structure dynamics, micro level stock selection and inflexion point identification between bouts of greed and fear through analysis of the over-arching, ever-changing macro environment.





quant's approach is not opposite to fundamental investing; nor is it purely based on factor analytics. It is, in fact, an investment approach **based on a deep and complex understanding of the market**



Our Fund is managed in a **Dynamic way**. The underlying idea is that the market is inefficient or weak-form efficient, hence, there exists potential for investors to generate alpha



quant's approach focuses on **the invisible and hidden layers** which include the sentiments of market participants & bringing them to life by attributing value to them



**quant is attaining
Predictive Analytics
through a diverse set of
time-tested indicators.**

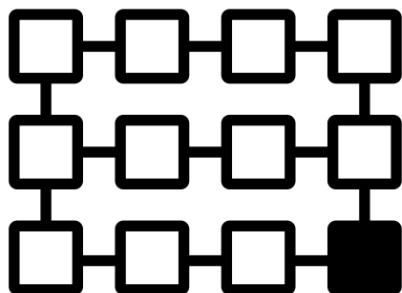
These indicators have been
in use since 2008.

**Our Quantamental Model
is based on a select set of
these indicators**

Other quant Mutual schemes

In all the other schemes managed by quant Mutual Fund, the Predictive Analytics tools serve as a helping hand. It is one of the many data points used by the investment team to make a more informed decision with regards to managing the scheme

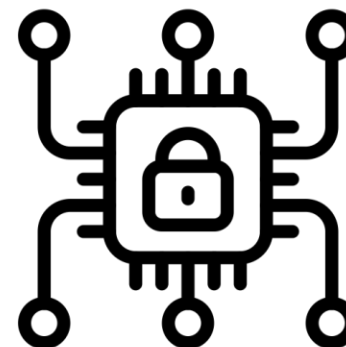
Thus, Predictive Analytics for our other schemes is one of the cogs of our investment process

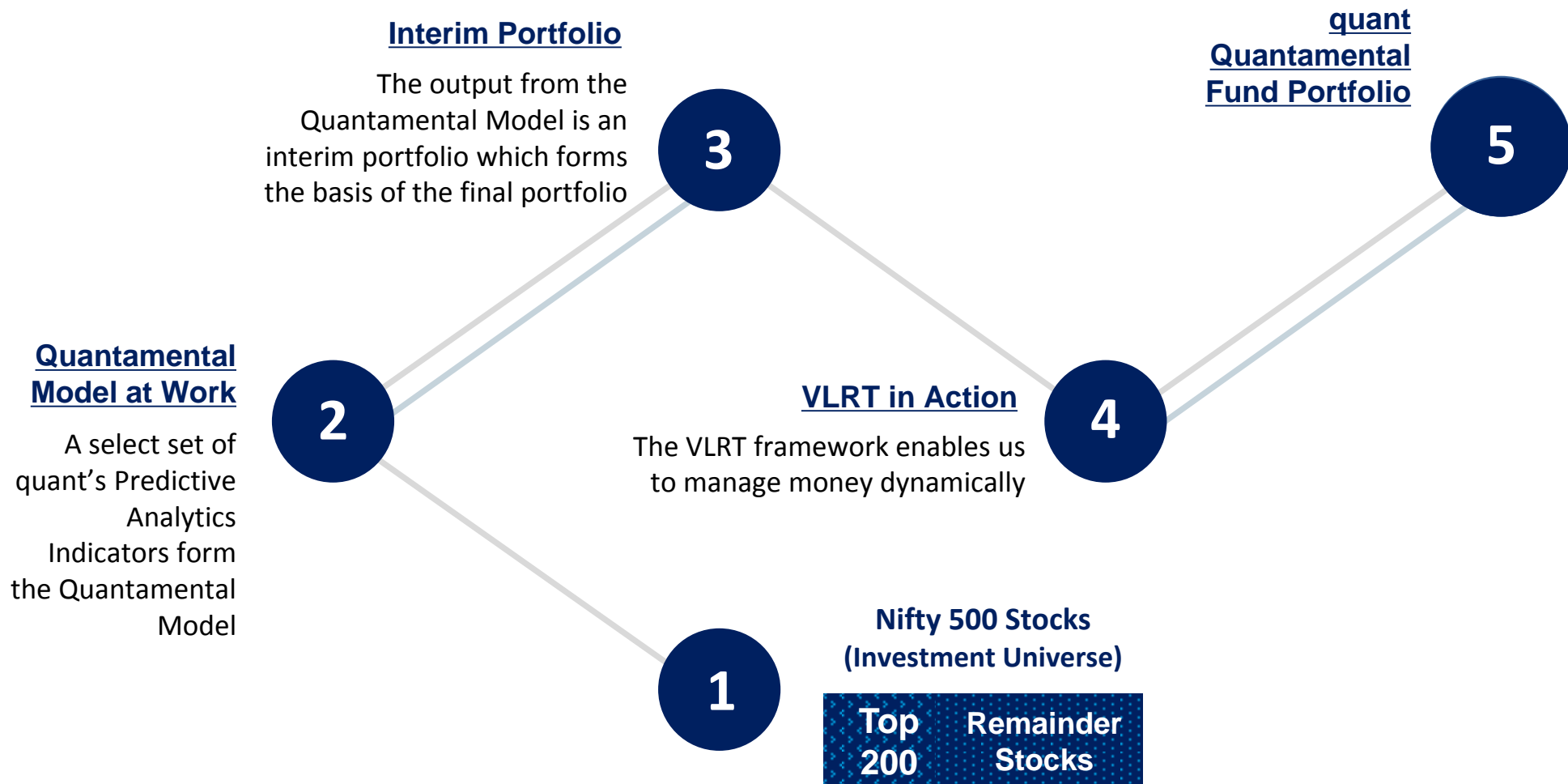


quant Quantamental Fund

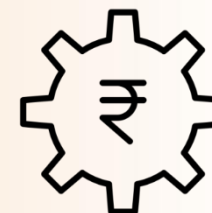
For the quant Quantamental Fund, a select set of our Predictive Analytics Indicators will be used to create an Algorithm (Model) based on which the investment team makes its decisions

Here, human intervention is event-based and takes place to design, monitor & update the Model





Potential benefit of investing using an Algorithm with limited human intervention, thus, minimizing the effect of cognitive biases

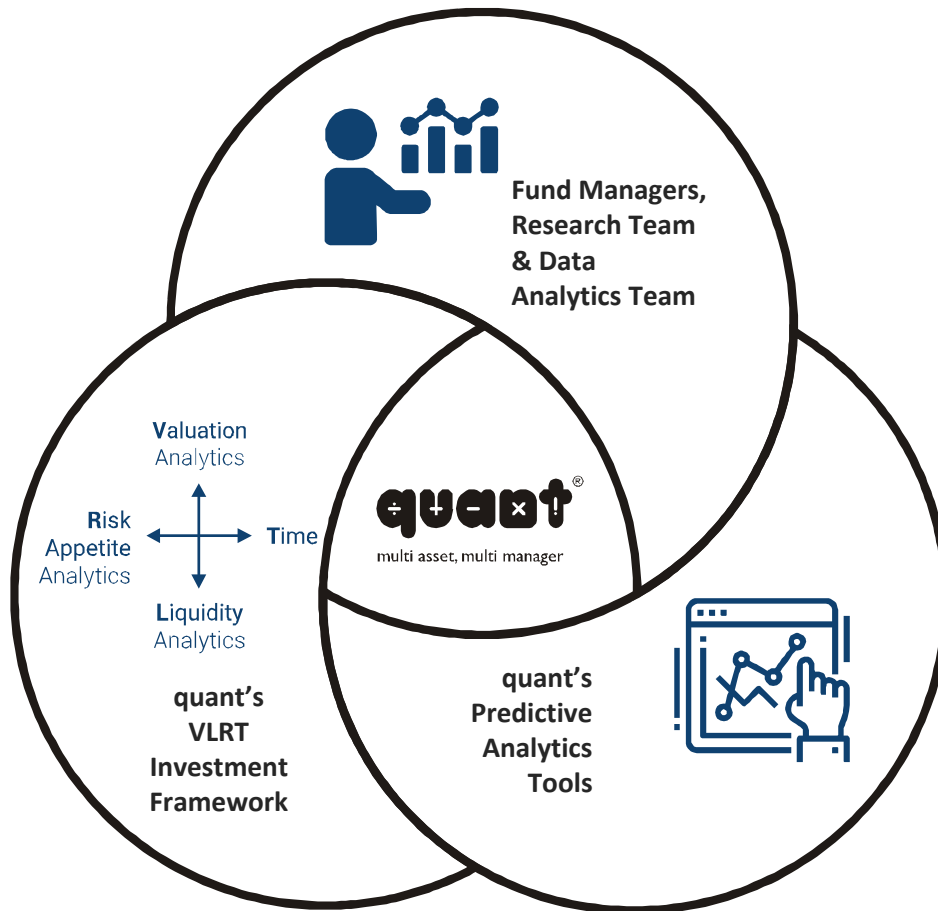


Dual propellers: Time-tested Predictive Analytics Tools (select indicators form the Quantamental Model) along with quant's VLRT Investment Framework (Dynamic way of Money Management)

Reap the benefits of the growing Indian economy and the Indian Financial Markets



Investors seeking Capital Appreciation over the medium- and long-term.



At quant, we place a large emphasis on the importance of market implied data and the role of participants' behavior. The idea behind this is a very simple one: to extract predictive clues on market trends. This has evolved into a multi-dimensional research perspective which is now formulated in our VLRT framework.

Furthermore, our Predictive Analytics tools identify the risk posturing of the market and the economic participants. Sentiment clues are also computed through quant's risk indicators that enable us to quantify varying levels of fear and greed.

The world is becoming non-linear and parabolic and to stay relevant, money managers must think with an unconstrained mind, actively update their methods and earnestly search for absolute returns, considering all markets and asset classes.

Scheme Details

NFO Period	New Fund Offer Opens on: 13 th April 2021 New Fund Offer Closes on: 27 th April 2021
Investment Objective	Capital appreciation over the long term through investing in equity and equity related securities based on a quant model theme
Benchmark	NIFTY 500 TRI
Investment Category	Thematic - Quant
Plans Available	quant Quantamental Fund - Growth & Dividend quant Quantamental Fund - Direct Plan - Growth & Dividend
Entry Load	Nil
Exit Load	1% if exit <= 1 Year
Fund Managers	Mr. Ankit Pande Mr. Sandeep Tandon Mr. Sanjeev Sharma Mr. Vasav Sahgal
Minimum Application	Purchase: Rs.5,000/- plus in multiple of Re.1 thereafter
Amount during the NFO and onwards	Additional Purchase: Rs. 1,000/- and in multiples of Rs. 1/- thereafter Repurchase: Rs. 1,000/-
Systematic Investment Plan (SIP)	Rs. 1000/- and multiple of Re. 1/-
Switches	Switch-in requests from equity schemes and other schemes will be accepted up to April 19 th , 2020 till the cut-off time applicable for switches.
Bank Details	Account Name: QUANT QUANTAMENTAL FUND-COLLECTION A/C Account No.: 57500000632992 IFSC code : HDFC0000060, Branch: HDFC, Fort, Mumbai 400001
RTGS and Transfer	Till the end of business hours on: April 27 th , 2021
MICR	Till the end of business hours on: April 27 th , 2021

Riskometer & Links

quant Quantamental Fund An Open ended Equity Scheme investing based on a quantamental theme. This product is suitable for investors who are seeking*:

- Capital appreciation over long term
- Investment in active portfolio of stocks screened, selected, weighed and rebalanced on the basis of a predefined fundamental factor model

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



Investors understand that their principal will be at moderately high risk.



quant's Transaction Portal

[Click here](#)



NFO Application Form

[Click here](#)



quant Mutual Fund Website

[Click here](#)



Scheme Information Document

[Click here](#)

Also available on:



quant[®]
QUANT&MENTAL
FUND
Adding **alpha** while subtracting **beta**

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quant Money Managers Limited

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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The AMC (including its affiliates), the Mutual Fund, the trust and any of its officers, directors, personnel and employees, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. The recipient alone shall be fully responsible/are liable for any decision taken on this material.

Investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of quant Mutual Fund.

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